

**LODI CITY COUNCIL  
REGULAR CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
WEDNESDAY, MAY 5, 2010**

**C-1    Call to Order / Roll Call**

The City Council Closed Session meeting of May 5, 2010, was called to order by Mayor Katzakian at 6:30 p.m.

Present:    Council Member Hansen, Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Hitchcock, and Mayor Katzakian

Absent:    None

Also Present:    City Manager King, City Attorney Schwabauer, and City Clerk Johl

**C-2    Announcement of Closed Session**

- a)    Conference with Dean Gualco, Human Resources Manager (Labor Negotiator), Regarding Unrepresented Executive Management, Lodi City Mid-Management Association, Unrepresented Confidential Employees, AFSCME General Services and Maintenance & Operators, Police Mid-Managers, Lodi Police Officers Association, Lodi Police Dispatchers Association, International Brotherhood of Electrical Workers, Fire Mid-Managers, and Lodi Professional Firefighters Pursuant to Government Code §54957.6

**C-3    Adjourn to Closed Session**

At 6:30 p.m., Mayor Katzakian adjourned the meeting to a Closed Session to discuss the above matter. The Closed Session adjourned at 6:59 p.m.

**C-4    Return to Open Session / Disclosure of Action**

At 7:00 p.m., Mayor Katzakian reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following action.

Item C-2 (a) was discussion only.

**A.    Call to Order / Roll call**

The Regular City Council meeting of May 5, 2010, was called to order by Mayor Katzakian at 7:00 p.m.

Present:    Council Member Hansen, Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Hitchcock, and Mayor Katzakian

Absent:    None

Also Present:    City Manager King, City Attorney Schwabauer, and City Clerk Johl

**B.    Pledge of Allegiance**

**C.    Presentations**

**C-1    National Tourism Week Proclamation**

Mayor Katzakian presented a proclamation to Nancy Beckman, President and CEO of Visit Lodi! Conference & Visitors Bureau, proclaiming the week of May 8 – 16, 2010, as "National Tourism

Week” in the City of Lodi.

C-2 National Letter Carrier Food Drive Day Proclamation

Mayor Katzakian presented a proclamation to Robert Lombana with the Lodi Post Office proclaiming Saturday, May 8, 2010, as “National Letter Carrier Food Drive Day” in the City of Lodi.

C-3 Salvation Army Week Proclamation

Mayor Katzakian presented a proclamation to Lieutenant Dan Williams with the Salvation Army and Pat Patrick, President/CEO of the Chamber of Commerce, proclaiming the week of May 10 – 16, 2010, as “Salvation Army Week” in the City of Lodi.

C-4 National Public Works Week Proclamation (PW)

Mayor Katzakian presented a proclamation to Public Works Director Wally Sandelin proclaiming the week of May 16 – 23, 2010, as “National Public Works Week” in the City of Lodi.

C-5 Peace Officer Memorial Month Proclamation (PD)

Mayor Katzakian presented a proclamation to Interim Police Chief Gary Benincasa and Detective Eric Bradley proclaiming the month of May 2010 as “Peace Officer Memorial Month” in the City of Lodi.

C-6 Presentation of Resolution of Appreciation to City Manager Blair King

Mayor Katzakian presented a Resolution of Appreciation to City Manager Blair King, who is leaving the City of Lodi to be the City Manager for the City of Coronado. City Manager King thanked the City Council for the opportunity to serve the City of Lodi.

D. Consent Calendar (Reading; Comments by the Public; Council Action)

Mayor Pro Tempore Hitchcock made a motion, second by Council Member Mounce, to approve the following items hereinafter set forth in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Hitchcock, and Mayor Katzakian

Noes: None

Absent: None

D-1 Receive Register of Claims in the Amount of \$2,992,808.55 (FIN)

Claims were received in the amount of \$2,992,808.55.

D-2 Approve Minutes (CLK)

The minutes of April 7, 2010 (Regular Meeting), April 20, 2010 (Shirtsleeve Session), April 21, 2010 (Special Meeting), and April 21, 2010 (Regular Meeting) were approved as written.

D-3 Accept the Quarterly Investment Report as Required by Government Code Section 53646

and the City of Lodi Investment Policy (CM)

Accepted the quarterly investment report as required by Government Code Section 53646 and the City of Lodi Investment Policy.

- D-4 Adopt Resolution Awarding the Purchase of Three Pad Mount Liquid Insulated Vacuum Switchgear and Load-Fault Interrupters to Trayer Engineering Corporation, of San Francisco (\$97,552.03) (EUD)

Adopted Resolution No. 2010-51 awarding the purchase of three pad mount liquid insulated vacuum switchgear and load-fault interrupters to Trayer Engineering Corporation, of San Francisco, in the amount of \$97,552.03.

- D-5 Adopt Resolution Rejecting Non-Responsive Bids, Awarding Contract for Municipal Service Center PBX Replacement Project to AdvanTel Networks, of Sacramento (\$183,856.91), and Appropriating Funds (\$200,000) (PW)

Adopted Resolution No. 2010-52 rejecting non-responsive bids, awarding contract for Municipal Service Center PBX Replacement Project to AdvanTel Networks, of Sacramento, in the amount of \$183,856.91, and appropriating funds in the amount of \$200,000.

- D-6 Adopt Resolution Authorizing the City Manager to Execute Professional Services Agreement with Neil O. Anderson and Associates, of Lodi, for Testing and Inspection Services for Lodi Avenue Reconstruction Project (\$43,149) and DeBenedetti Park Storm Drain Improvement Project (\$10,224) (PW)

Adopted Resolution No. 2010-53 authorizing the City Manager to execute professional services agreement with Neil O. Anderson and Associates, of Lodi, for testing and inspection services for Lodi Avenue Reconstruction Project in the amount of \$43,149 and DeBenedetti Park Storm Drain Improvement Project in the amount of \$10,224.

- D-7 Adopt Resolution Revising Fee Payment Agreement for 1341 East Kettleman Lane (PW)

Adopted Resolution No. 2010-54 revising Fee Payment Agreement for 1341 East Kettleman Lane.

- D-8 Adopt Resolution Establishing a Standardized Questionnaire for Bidder Qualification as Provided by Public Contracts Code 20101 (PW)

Adopted Resolution No. 2010-55 establishing a Standardized Questionnaire for Bidder Qualification as provided by Public Contracts Code 20101.

- D-9 Authorize the Mayor, on Behalf of the City Council, to Send a Letter in Support of AB 1594 Regarding Prohibiting Construction of the Peripheral Canal (CM)

Authorized the Mayor, on behalf of the City Council, to send a letter in support of AB 1594 regarding prohibiting construction of the Peripheral Canal.

- D-10 Authorize the Mayor, on Behalf of the City Council, to Send a Letter in Support of H.R. 4812, the "Local Jobs for America Act" (CM)

Authorized the Mayor, on behalf of the City Council, to send a letter in support of H.R. 4812, the "Local Jobs for America Act."

E. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES. The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted. Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

Elizabeth Westphal and Dixie Waechter spoke in regard to "Project Thank-You"; whereby, care packages are sent to U.S. Troops. Ms. Westphal and Ms. Waechter encouraged public participation in the program and invited the public and City Council to the Annual Patriotic Picnic on July 25, 2010, in Clements. They also requested a proclamation distinguishing the City as a Patriotic City in America.

Brian Plinkington spoke in opposition to Measure C based on his concerns regarding the implementation of new and weighted voting procedures. Mr. Plinkington submitted a letter outlining his concerns for the record.

Robin Rushing spoke in support of legalizing medical marijuana and providing safe access to the same.

Tony Segale spoke in support of continuing arts-related programs in the City and the benefits of these programs to the community.

F. Comments by the City Council Members on Non-Agenda Items

Council Member Johnson stated that the Boys and Girls Club is experiencing financial difficulties and suggested staff look into options for providing assistance with keeping children busy during the summer months.

Mayor Pro Tempore Hitchcock commended City Manager King on his efforts over the years as the Lodi City Manager and wished him luck in his future endeavors.

Council Member Mounce commended Tony Segale on his mural work and asked Code Enforcement and Police Department staff to continue working with citizens to address gang activities.

Council Member Hansen reported on his legislative meetings in Washington DC on behalf of the San Joaquin Council of Governments and Northern California Power Agency.

G. Comments by the City Manager on Non-Agenda Items

None.

H. Public Hearings

H-1 Public Hearing to Approve the Final 2010/11 Action Plan for the Community Development Block Grant (CDBG) Program and to Consider Reallocation of Available Urban County CDBG Funds (CD)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Katzakian called for the public hearing to consider approving

the Final 2010/11 Action Plan for the Community Development Block Grant (CDBG) Program and to consider reallocation of available Urban County CDBG funds.

City Manager King briefly introduced the subject matter of the 2010/11 CDBG Public Hearing.

Neighborhood Services Manager Joseph Wood provided a PowerPoint presentation regarding the 2010/11 CDBG public hearing. Specific topics of discussion included the initial public hearing process, 30-day review period, Department of Housing and Urban Development allocation, City project funding, City services allocation, community based organization projects and services, reallocation of Urban County CDBG, reallocations for new projects for economic development strategy study and handicap ramp retrofits, and recommended actions regarding the same.

In response to Council Member Hansen, Mr. Wood stated the \$206,475 amount is being reallocated and includes additional program income and unused funds on design work for the Grape Bowl Americans with Disabilities Act (ADA) design. Mr. Wood stated the County determined that there were aspects of the design that did not address ADA improvements, the design was reworked, the funding was for design only and could not have been used for the actual work, and therefore the unused funds would have had to come back for project purposes and rebidding.

In response to Council Member Hansen, Mr. Wood stated the target area for the reallocation is predominately the east side of town as determined by the Census. Mr. Wood stated the target area consists of 51% or greater of low-income residents, improvements can also be made in and around public areas, and the Public Works Department maintains a list of target area improvements.

In response to Council Member Hansen, Mr. King stated the genesis of the proposal for the economic study is a meeting with the Department of Economic Development, the context is trying to secure future federal improvement dollars, and the hope is to gain some knowledge with respect to basic scoping for utilities, types of businesses to attract, and an analysis of job creation with respect to heavy industry options. Mr. King stated the proposed report would encompass strategies, preliminary engineering, costs, and an implementation plan.

In response to Mayor Pro Tempore Hitchcock, Mr. King and Mr. Wood confirmed that the program was originally funded through Urban County money, there is now an ability to get the program money spent down, the chances of getting the grant may be good, the report and related work is needed regardless, and the cost for the report is competitive for the type of work to ensure long-term objectives for economic development are met.

In response to Mayor Pro Tempore Hitchcock, Mr. Wood and Mr. King stated LMI stands for low and moderate income, the program is targeted for low and moderate income, it would produce middle class jobs, and the City will need a strategy to determine what types of jobs the City is suited for.

In response to Council Member Mounce, Mr. Wood confirmed that there will still be \$80,000 left in the revolving fund for the current year.

In response to Council Member Mounce, Mr. Wood stated staff has not recently received communications about the Hope Harbor Salvation Army project but there could be some money available mid-year.

In response to Council Member Johnson, Mr. Wood confirmed that an economic study is an eligible activity under the program qualifying as technical assistance so long as it benefits low- and moderate-income residents.

In response to Council Member Mounce, Mr. King stated the proposed study would go through the bidding process, although there is a small number of people that do this type of work and the Council would oversee the study throughout the process.

In response to Council Member Hansen, Mr. Bartlam stated the proposed study could take up to a year, the funds do not become available right away, the recommendation for a firm could happen in the fall. Mr. Bartlam stated the six to eight month process will involve the City Council, citizens, the business community, Chamber of Commerce, and other relevant parties. Mr. Hansen suggested a status report be provided on the impact of the report and the process every six months. Mr. King stated the reporting requirement and time lines could be written into the solicitation itself.

Mayor Pro Tempore Hitchcock made a motion, second by Council Member Mounce, to adopt Resolution No. 2010-56 approving the Final 2010/11 Action Plan for the Community Development Block Grant (CDBG) Program.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Hitchcock, and Mayor Katzakian

Noes: None

Absent: None

Council Member Johnson made a motion, second by Council Member Hansen, to adopt Resolution No. 2010-57 approving the reallocation of available Urban County Community Development Block Grant (CDBG) funds.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Mounce, and Mayor Katzakian

Noes: Mayor Pro Tempore Hitchcock

Absent: None

H-2 Public Hearing to Consider the Appeals of Brandt-Hawley Law Group on Behalf of Charles and Melissa Katzakian Regarding the Decision of the Planning Commission to Approve: (a) SPARC Review and Use Permit for Costco Wholesale Development; and (b) SPARC Review for Reynolds Ranch Shopping Center and Home Depot (CD)

This item was not considered as the above-referenced appeals were withdrawn by the appellant prior to the commencement of this meeting.

I. Communications

I-1 Re-Post for Expiring Terms and Vacancies on the Greater Lodi Area Youth Commission (CLK)

Mayor Pro Tempore Hitchcock made a motion, second by Council Member Mounce, to direct the City Clerk to re-post for the following expiring terms and vacancies:

Greater Lodi Area Youth Commission

(Adult Advisor)

David Molvik, Term to expire May 31, 2010

(Student Appointees)

Evan Beau Benko, Term to expire May 31, 2010  
Shelby Gotelli, Term to expire May 31, 2010  
Joshua Gums, Term to expire May 31, 2010  
Mykenzie Mattheis, Term to expire May 31, 2010  
Emily McConahey, Term to expire May 31, 2010  
Priyank Patel, Term to expire May 31, 2011  
Gordon Wong, Term to expire May 31, 2011

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Hitchcock, and Mayor Katzakian

Noes: None

Absent: None

J. Regular Calendar

J-1 Adopt Resolution Certifying Concurrence with California Energy Commission Environmental Findings and Approving Agreements with the Northern California Power Agency for Power Sales, Project Management and Operation, Ground Lease, and Recycled Water Supply (EUD)

City Manager King provided a brief introduction to the subject matter of the Lodi Energy Center (LEC).

Interim Electric Utility Director Ken Weisel provided a PowerPoint presentation regarding the LEC. Specific topics of discussion included an overview, LEC statistics, ownership, cost summary, participants, approval schedule, California Environmental Quality Act compliance, power sales agreement, project management and operations agreement, September Memorandum of Understanding, and recommended approvals.

In response to Council Member Mounce, Mr. King stated the City is selling treated water that has little value on the market to Northern California Power Agency (NCPA) at \$600 per acre foot, with a guarantee of 1,600 acre feet, for an approximate value of \$1 million. Mr. King stated NCPA can purchase another 200 acre feet for \$750 per acre foot, and anything above that amount will be \$900 per acre foot. Mr. King stated he believes this is a good deal for NCPA and a good value to the City for a commodity that would otherwise go to the Delta.

In response to Mayor Katzakian, Mr. Sandelin stated the City will generate less than 15,000 acre feet per year at the plant.

Ann Cerney questioned the Garter snake easement and the adequacy of the land mitigation. City Attorney Schwabauer provided a review of the Garter snake mitigation, which was needed based on the location of the plant. Mr. King stated the agreement between the City and NCPA was the result of aggressive negotiations and both sides will benefit as a result.

Council Member Hansen made a motion, second by Mayor Pro Tempore Hitchcock, to adopt Resolution No. 2010-58 certifying concurrence with California Energy Commission environmental findings and approving agreements with the Northern California Power Agency for power sales, project management and operation, ground lease, and recycled water supply.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Hitchcock, and Mayor Katzakian

Noes: None

Absent: None

J-2 Consider Notice of Cost to Grant Two Years Additional Service Credit under Government Code Section 20903 (CM)

City Manager King and Human Resources Manager Dean Gualco provided an overview of the noticing process, the two-year service credit options, and the proposed positions affected by the noticing.

In response to Mayor Pro Tempore Hitchcock, Mr. Gualco stated the incentive is being offered as a budget savings of approximately \$180,000 for three positions over a three-year period.

In response to Mayor Pro Tempore Hitchcock, Mr. Gualco confirmed that once an employee accepts the two-year service option, the same or similar position will be held open for two years.

In response to Council Member Hansen, Mr. Gualco stated that, of the eight eligible positions, it is likely that only three will accept the option.

In response to Council Member Hansen, Mr. Gualco stated currently the City is precluded from offering the early two-year service credit option to the Police Department but the City could review options for providing the same.

In response to Council Member Johnson, Mr. King stated the City did consult with the Fire Department and relevant parties with respect to offering the option and noticing and will bring back to Council the effects of early retirement on the department upon review of staffing options.

In response to Council Member Mounce, Mr. King confirmed that the budget does not hinge upon employees taking early retirement, although staff may need to be reallocated in the Streets Division based on the money that is available.

J-3 Presentation on Major Components of Fiscal Year 2010/11 Budget (CM)

City Manager King and Deputy City Manager Jordan Ayers provided a PowerPoint presentation regarding the major components of the Fiscal Year 2010/11 Budget. Specific topics of discussion included an overview, budget comparison to surrounding communities, General Fund revenue, General Fund expenditures, property tax administration fee, Educational Revenue Augmentation Fund shift, employee contributions, proposed expenditures, General Fund ratios, public safety costs, labor costs, actions taken, compensating time off, overtime hardship, Lodi Energy Center, one-time revenue, capital projects funding, vehicles, summary data, General Fund reserves, General Fund debt service, economic development, General Fund transfers, and all funds expenditures.

In response to Mayor Pro Tempore Hitchcock, Mr. Ayers stated the City has not been recently approached by the cardroom, the current year anticipated revenue from the cardroom is \$180,000, and the anticipated revenue for the next fiscal year based on current flows is \$230,000.

In response to Council Member Hansen, Mr. Ayers confirmed that the projected sales tax increase is based on new businesses coming on line and the sales tax consultant estimates. Mr. King stated sales tax is currently flat and the projected numbers take into account Reynolds



Ranch, for which a payment may be received in the last quarter of fiscal year 2010/11.

In response to Council Member Hansen, Mr. King stated the current year budget did not include anything for SB 90 and a modest amount has been budgeted for next year, although it is unknown what the State is going to do.

A brief discussion ensued amongst the City Council and City Manager King regarding the unknowns associated with the difficult State budget and the recent redevelopment related Court decision upholding the State's ability to take redevelopment funding from cities.

In response to Council Member Johnson and Mayor Katzakian, Mr. King stated the current CalPers estimate includes market losses for the last year, if market losses continue then the percentages will continue to go up, and smoothing helps with the ability to pay as you go but it underfunds the program in the long run.

In response to Council Member Hansen, Mr. King stated the six percent increase is across the board and is not reflective of the Blue Shield issue alone.

In response to Mayor Katzakian, Mr. King stated the budget does include the COPS grant.

In response to Council Member Hansen, Mr. King stated the Police Department has one lieutenant, two sergeants, and three officer positions unfunded and there may be one retirement forthcoming.

In response to Council Member Hansen, Mr. King stated the unfunded positions are marked as vacant and can be identified and the positions are not permanently reduced.

A brief discussion ensued between Council Member Mounce and Mayor Pro Tempore Hitchcock regarding the need to reduce travel and training for the City Council while retaining training for new Council Members.

In response to Mayor Pro Tempore Hitchcock, Mr. King stated there is no restriction on any other group with cash out because Police and Fire are the only groups that cannot cash out and have a large liability for banked comp time.

In response to Council Member Johnson, Mr. King stated the \$50,000 amount should be fine to reduce the cash out liability because the Fire Department is trying to be more conscientious of overtime.

In response to Council Member Hansen, Mr. King stated the ground lease payments will start as soon as construction begins but the water sale payments from the Northern California Power Agency will not start until they are up and running.

In response to City Manager King, Public Works Director Wally Sandelin provided a brief overview of the outstanding capital maintenance projects.

In response to Council Member Mounce, Mr. King stated he is not sure about previously providing Community Development Block Grant funding for low-income children as the consideration would be operations versus brick and mortar projects.

Council Member Mounce made a motion, second by Mayor Pro Tempore Hitchcock, to accept the presentation regarding major components of Fiscal Year 2010/11 Budget and authorize reduction of compensatory time off as discussed.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Hitchcock, and Mayor Katzakian

Noes: None

Absent: None

K. Ordinances - None

L. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 11:02 p.m.

ATTEST:

Randi Johl  
City Clerk